

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4080-02  
Bill No.: HB 1567  
Subject: Administrative Law; State Departments  
Type: Original  
Date: February 21, 2014

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Bill Summary: This proposal requires any state agency that assesses or imposes a monetary or disciplinary administrative penalty to implement procedures that provide information on the internet regarding the administrative appeal process.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Conservation**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Higher Education**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Public Safety's Capitol Police**, the **Department of Public Safety's Division of Fire Safety**, the **Department of Public Safety's Division of Alcohol and Tobacco Control**, the **Department of Social Services**, the **Joint Committee on Administrative Rules**, the **Missouri Gaming Commission**, the **Missouri Highway Patrol**, the **Missouri National Guard**, the **Missouri Senate**, the **Missouri Veterans Commission**, the **Office of Administration's Division of Purchasing**, the **Office of Administration's Division of Facilities Management, Design and Construction**, the **Office of the State Auditor**, the **Office of the State Public Defender**, the **Office of State Treasurer**, the **State Emergency Management Agency** and the **State Tax Commission** each assume there is no fiscal impact to their respective agencies from this proposal.

Officials at the **Department of Agriculture** defers to the Office of Administration's Information Technology Services Division for fiscal impact.

Officials at the **Office of State Courts Administrator** assume this proposal does not pertain to them as they do not fit the definition of "state agency" and therefore this proposal will have no fiscal impact.

Officials at the **Department of Corrections (DOC)** assume it is unknown what fiscal impact may occur due to passage of this proposal. The impact is difficult to ascertain, given the vagueness of the language. Monetary or disciplinary impact is not defined and it is unclear whether this pertains to employees or all individuals who may receive such a penalty. DOC already has an internal administrative appeal for certain employee disciplinary actions; passage of this proposal may require additional internal appeals.

Officials at the **Department of Revenue (DOR)** assume this proposal would require a review of the applicable statutes and procedures to ensure all potential appeal processes are posted. This will also require updates to the agency's website. The total cost of this proposal is estimated to be \$4,140.

ASSUMPTION (continued)

Officials at the **Missouri Department of Transportation (MoDOT)** assume this proposal mandates any agency that assesses or imposes a monetary or disciplinary administrative penalty to implement procedures allowing for an appeals process and provide information on the internet detailing such administrative appeals process adopted by rule or regulation including applicable time frames. This bill also provides that any change in agency procedure must be posted on the internet before such modification or change takes effect. MoDOT/MHTC is involved with several administrative appeal procedures including disciplinary appeals procedures, relocation assistance appeals procedures, utility relocation, outdoor advertising, Disadvantaged Business Enterprise (DBE), motor carrier enforcement hearings, International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) audit appeal procedures, etc. MoDOT/MHTC does not assess or impose monetary penalties but rather presides over and/or participates in the appeals processes. Regarding the Motor Carrier agency procedures, the Administrative Hearing Commission (AHC) presides over the appeals and the circuit court assesses any penalties. MoDOT/MHTC already has policies, procedures or regulations in place regarding the appeals it presides over and such can be found on the internet. However, it is unclear specifically what appeals procedures this proposed bill is attempting to capture which is why there is a potential for an unknown fiscal impact. It is also unclear what is meant by the phrase "disciplinary administrative penalty" and whether the phrase would include upholding an administrative disciplinary decision.

Officials at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of

ASSUMPTION (continued)

regulations at substantial costs, the SOS could request funding through the appropriation process.

**Oversight** assumes that any costs arising from the posting of the appeals procedures on the agencies' websites can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture  
Department of Conservation  
Department of Corrections  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Higher Education  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Labor and Industrial Relations  
Department of Mental Health  
Department of Natural Resources  
Department of Public Safety  
    Capitol Police  
    Division of Fire Safety  
    Division of Alcohol and Tobacco Control  
Department of Revenue  
Department of Social Services  
Joint Committee on Administrative Rules  
Missouri Department of Transportation  
Missouri Gaming Commission  
Missouri Highway Patrol  
Missouri National Guard  
Missouri Senate  
Missouri Veterans Commission  
Office of Administration  
    Division of Purchasing  
    Division of Facilities Management, Design and Construction  
Office of Attorney General  
Office of the Secretary of State

SOURCES OF INFORMATION (continued)

Office of the State Auditor  
Office of State Courts Administrator  
Office of the State Public Defender  
Office of State Treasurer  
State Emergency Management Agency  
State Tax Commission



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February 21, 2014

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